



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Chris Burton

**SUBJECT:** See Below

**DATE:** March 13, 2026

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**COUNCIL DISTRICT:** Citywide

**SUBJECT:** PP25-006 – Amendment to Title 20 (Zoning Code) for Implementation of Senate Bill 79 Industrial Ordinance

## **RECOMMENDATION**

The Planning Commission voted 10-0-1 (Commissioner Cantrell absent) to recommend that the City Council approve an ordinance amending Title 20 (Zoning Ordinance or Zoning Code) of the San José Municipal Code to add new Chapter 20.197, Local Implementation of State Law, that includes Part 2, Senate Bill 79 Implementation for implementation of Senate Bill 79 and exclusion of certain employment areas designated in the City's General Plan from SB 79 provisions, and to make other technical, non-substantive, or formatting changes within related sections of Title 20 of the San José Municipal Code.

## **SUMMARY AND OUTCOME**

Approval of the proposed ordinance amends Title 20 (Zoning Ordinance or Zoning Code) for compliance with Senate Bill 79 (SB 79), as described in the Analysis section below, and exempts properties within certain Employment Areas designated in the Envision San José 2040 General Plan from the provisions of SB 79.

## **BACKGROUND**

[Senate Bill 79](#),<sup>1</sup> the Abundant and Affordable Homes Near Transit Act, was signed by Governor Newsom on October 10, 2025, and will take effect on July 1, 2026. This state law supersedes local zoning to allow housing on sites currently zoned for residential, mixed-use, or commercial development within one-half mile of major transit stops. The

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<sup>1</sup> [https://leginfo.legislature.ca.gov/faces/billCompareClient.xhtml?bill\\_id=202520260SB79&showamends=false](https://leginfo.legislature.ca.gov/faces/billCompareClient.xhtml?bill_id=202520260SB79&showamends=false)

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Industrial Ordinance**

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City of San José has 56 transit stations and roughly 40,000 properties, which could be impacted by SB 79.

At its hearing on January 27, 2026, City Council directed staff to designate qualifying industrial areas identified in the General Plan as Employment Areas as “industrial employment hubs” and exempt nonresidential sites within those areas from SB 79 in accordance with state law exclusion provisions. Once SB 79 goes into effect on July 1, 2026, qualifying SB 79 housing could be permitted within specific transit buffers citywide, but excluding identified key employment areas as stated in this report if the City Council were to adopt the proposed ordinance.

## **ANALYSIS**

A complete analysis of the issues related to Title 20 Zoning Code updates is contained in the Planning Commission staff report dated March 11, 2026 (attached).

## **EVALUATION AND FOLLOW-UP**

If the proposed Title 20 changes are approved by City Council, the new ordinance will be effective 30 days after the second reading. On July 1, 2026, SB 79 implementation will be in effect and Industrial Employment Hubs will be excluded from SB79 provisions.

## **COORDINATION**

This memorandum was coordinated with the City Attorney’s Office.

## **PUBLIC OUTREACH**

This memorandum will be posted on the City Council Agenda website for the hearing on March 17, 2026.

Staff also posted an informational webpage on the proposed ordinance on the Planning, Building, and Code Enforcement Department webpage on February 25, 2026. This report and attachments were posted on the City’s website. Staff has been available to respond to questions from the public. Staff followed Council Policy 6-30: Public Outreach Policy, in that the notices for the public hearing were posted on the City’s website and published in the San José Post-Record.

## **BOARD, COMMISSION, COMMITTEE RECOMMENDATION AND INPUT**

On March 11, 2026, the Planning Commission conducted a public hearing on the proposed Zoning Code updates. Staff presented a background and summary of the proposed changes for the Commission.

During the public comment period, three speakers addressed the Planning Commission.

1. **Roland Lebrun** discussed a past zoning decision related to the iStar parcel and the funding of the PayPal (Earthquakes) (formerly known as Avaya) stadium. He noted that a previous land-use swap moved residential capacity away from the Santa Teresa area and created negative impacts on nearby neighborhoods. He urged staff to comply with SB 79 by restoring residential designation to the original location near the Santa Teresa light rail station.
2. **Rob Swierk (VTA)** expressed support for transit-oriented development and raised concerns that the proposed industrial land exemption could limit mixed-use housing near transit on VTA-owned properties at Santa Teresa and Cerone. VTA requested continued collaboration with the City to allow residential or mixed-use development on these sites or to remove them from the exemption. If the exemption remains, VTA suggested increasing industrial density standards in affected areas.
3. **Mike Sodergren (Preservation Action Council of San Jose)** supported staff's recommendation, emphasizing the importance of preserving employment lands while still supporting housing development. He highlighted the need for local decision-making authority regarding land use and employment areas.

### **Commission Discussion**

- Commissioner Bhandal asked staff about the outcome if the proposed ordinance is found non-compliant by the California Department of Housing and Community Development (HCD). Staff explained that the City would thereafter revise the ordinance or provide additional findings supporting compliance, after which HCD could either agree or pursue enforcement.
- Commissioner Barocio also inquired about the historical zoning swap referenced in public comment. Staff explained that the earlier decision occurred under a previous General Plan that allowed more industrial-to-residential conversions and was partly tied to funding the Earthquakes stadium. The current proposal focuses on preserving industrial lands and is not directly related to that earlier decision.
- Commissioner Bickford emphasized balancing housing near transit with the preservation of employment and industrial areas, particularly in North San José. Staff clarified that the plan includes a mix of employment-focused zones and selected housing sites with residential overlays to maintain this balance.

### **Outcome**

A motion was made by Commissioner Oliverio and seconded by Commissioner Casey to approve the staff's recommendation and forward the ordinance to the City Council.

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The Planning Commission approved the recommendation (10-0 –1, with Commissioner Cantrell absent).

### **CEQA**

Not a Project under CEQA pursuant to Public Resources Code Section 21080(b)(1), CEQA Guidelines Section 15378(b)(5), and California Government Code Section 65912.160(c)(2) (SB 79).

### **PUBLIC SUBSIDY REPORTING**

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

/s/

CHRISTOPHER BURTON

Secretary, Planning Commission

For questions, please contact Martina Davis, Division Manager, Department of Planning, Building, and Code Enforcement, at [martina.davis@sanjoseca.gov](mailto:martina.davis@sanjoseca.gov) or (408) 535-7888

### **ATTACHMENT:**

Attachment – Planning Commission staff report dated March 11, 2026



# Memorandum

**TO:** PLANNING COMMISSION      **FROM:** Christopher Burton, Director of  
the Planning, Building and Code  
Enforcement Department

**SUBJECT:** File No. PP25-006      **DATE:** March 11, 2026

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## COUNCIL DISTRICT: CITYWIDE

<b>Applicability</b>	Citywide applicability to parcels within a one-half mile radius of City of San Jose's 56 qualifying transit stops in accordance with Senate Bill 79 provisions.
<b>Project Description</b>	An ordinance of the City of San José amending Title 20 (Zoning Ordinance or Zoning Code) of the San José Municipal Code to add new Chapter 20.197, 'Local Implementation of State law,' that includes Part 2, 'Senate Bill 79 (SB 79) Implementation' for implementation of SB 79 and exclusion of certain employment areas designated in the City's General Plan from SB 79 provisions, and to make other technical, non-substantive, or formatting changes within related sections of Title 20 of the San José Municipal Code.
<b>CEQA</b>	Not a project under CEQA pursuant to Public Resources Code Section 21080(b)(1), CEQA Guidelines Section 15378(b)(5), and California Government Code Section 65912.160(c)(2) (SB 79)
<b>Project Planner</b>	Rina Horie

## RECOMMENDATION

Staff recommends that the Planning Commission recommend the City Council take all of the following actions:

1. Adopt an ordinance of the City of San José amending Title 20 (Zoning Ordinance or Zoning Code) of the San José Municipal Code to add new Chapter 20.197, 'Local Implementation of State law,' that includes Part 2, 'Senate Bill 79 (SB 79) Implementation' for implementation of SB 79 and exclusion of certain employment areas designated in the City's General Plan from SB 79 provisions, and to make other technical, non-substantive, or formatting changes within related sections of Title 20 of the San José Municipal Code.

## OUTCOME

Approval of the proposed ordinance would amend Title 20 (Zoning Ordinance or Zoning Code) for compliance with Senate Bill 79 as described in the Analysis section below and will exempt properties within certain Employment Areas designated in the Envision San Jose 2040 General Plan from the provisions of Senate Bill 79.

**PROJECT BACKGROUND**

[Senate Bill 79](#) (SB 79), the Abundant and Affordable Homes Near Transit Act, was signed by Governor Newsom on October 10, 2025, and will take effect on July 1, 2026. This State law supersedes local zoning to allow housing on sites currently zoned for residential, mixed-use, or commercial development within one-half mile of major transit stops.

The City of San Jose has [56 transit stations and approximately 40,000 properties](#) that would be impacted by SB 79. SB 79 defines a specific type of transit stop called a “transit-oriented development (TOD) stop” segregated into two tiers. Typically, a TOD stop is a major transit station served by heavy rail, high or very high frequency rail, light rail, or bus rapid transit with a dedicated lane. It also identifies certain future stations based on a specific set of criteria, including future station routes and planning or funding criteria for that future station (Table 1).

**Table 1. Tiers of TOD stops under SB 79**

TOD Stop Tier	Transit Type	Applicability in San José	Number of Current or Future Stations in/adjacent to San José
<p><b>Tier 1</b> <i>Within an urban transit county* served by heavy rail transit or very high frequency commuter rail</i></p>	<ul style="list-style-type: none"> <li>• Heavy Rail Transit</li> <li>• Very High Frequency Commuter Rail (72 trains per day)</li> </ul>	<ul style="list-style-type: none"> <li>• Caltrain (electrified)</li> <li>• BART</li> <li>• Future BART</li> </ul>	<ul style="list-style-type: none"> <li>• 4 Caltrain</li> <li>• 6 BART</li> </ul> <p><i>10 total stations</i></p>
<p><b>Tier 2</b> <i>Within an urban transit county, excluding Tier 1, served by light rail transit, by high-frequency commuter rail, or by bus service that meets the standards below</i></p>	<ul style="list-style-type: none"> <li>• Light Rail</li> <li>• High Frequency Commuter Rail (48 trains per day)</li> <li>• Bus Rapid Transit with dedicated lane</li> </ul>	<ul style="list-style-type: none"> <li>• VTA light rail</li> <li>• Bus Rapid Transit with dedicated lane</li> </ul>	<ul style="list-style-type: none"> <li>• 44 VTA light rail</li> <li>• 2 Bus Rapid Transit</li> </ul> <p><i>46 total stations</i></p>

\*“Urban transit county” means a county with more than 15 passenger rail stations; within San José, examples include BART and Caltrain stations.

SB 79 establishes minimum residential density and height standards for qualifying housing development projects that a local jurisdiction must comply with as listed in Table 2.

**Table 2. Development Standards under SB 79**

<b>Distance</b>	<b>Tier 1</b>	<b>Tier 2</b>
Adjacent to TOD stop ( <i>within 200 feet of pedestrian access point</i> )	<ul style="list-style-type: none"> <li>• Height: 95 feet</li> <li>• Density: 160 DU/AC<sup>5</sup></li> <li>• Residential FAR<sup>6</sup>: 4.5</li> </ul>	<ul style="list-style-type: none"> <li>• Height: 85 feet</li> <li>• Density: 140 DU/AC</li> <li>• Residential FAR: 4.0</li> </ul>
¼-mile from TOD stop	<ul style="list-style-type: none"> <li>• Height: 75 feet</li> <li>• Density: 120 DU/AC</li> <li>• Residential FAR: 3.5</li> </ul>	<ul style="list-style-type: none"> <li>• Height: 65 feet</li> <li>• Density: 100 DU/AC</li> <li>• Residential FAR: 3.0</li> </ul>
½-mile from TOD stop	<ul style="list-style-type: none"> <li>• Height: 65 feet</li> <li>• Density: 100 DU/AC</li> <li>• Residential FAR: 3.0</li> </ul>	<ul style="list-style-type: none"> <li>• Height: 55 feet</li> <li>• Density: 80 DU/AC</li> <li>• Residential FAR: 2.5</li> </ul>

Cities with over 15 TOD stops may designate certain areas as an “Industrial Employment Hub.” An Industrial Employment Hub is a contiguous area of at least 250 acres that has been designated as an employment lands area in the City’s General Plan prior to January 1, 2025. The parcels within it must be primarily dedicated to industrial use. Those properties within ½ mile of TOD stops within these designated areas that do not already permit housing would not be subject to SB 79 provisions. San José’s industrial employment areas, such as North San José, typically have industrial designations such as Industrial Park, which are primarily industrial designations, but also allow commercial uses such as offices. Therefore, absent the City opting into this exemption through the ordinance, they will be subject to SB 79.

**Table 3. Qualifying Employment Areas eligible for SB 79 provision.**

<b>Name of Employment Lands Area</b>
North San José
Berryessa International Business Park, Lundy/Milpitas BART
East Gish, Mabury
Monterey Business Corridor
Old Edenvale, Old Edenvale Transit Employment Center

At the January 27, 2026 City Council hearing, staff presented [a detailed analysis of SB 79](#) with several recommended action items related to implementation of the bill. At that time City Council directed staff to:

1. Designate qualifying industrial areas identified in the General Plan as Employment Areas as “industrial employment hubs” and exempting nonresidential sites within those areas from the provisions of Senate Bill 79.
2. Exempt sites where there is no walking path less than one-mile from the location of the transit-oriented development.
3. A summary of the California Environmental Quality Act process for historic resources under AB 130 and SB 79.
4. A timeline for returning to Council with an ordinance increasing minimum densities in the downtown core and other growth areas, based on further analysis.

This proposed ordinance would address Item A to exclude specific parcels within an Industrial Employment Hub pursuant to Government Code Section 65912.160. Items B, C, and D are being addressed separately. Once SB 79 goes into effect on July 1, 2026, qualifying SB 79 housing will be a permitted use in the city, including within key employment areas. Therefore, planning staff recommends City Council to approve and adopt the proposed ordinance with the identified excluded sites in this report.

## ANALYSIS

### *Industrial Employment Hubs*

The City's Envision 2040 General Plan does not support conversion of industrial lands to residential use. It recognizes that all existing employment lands add value to the City overall and therefore preserves those employment lands and promotes the addition of new employment lands when opportunities arise. These employment lands are planned to accommodate a wide variety of industry types and development forms, including high-rise and mid-rise office or research and development uses, heavy and light industrial uses and supporting commercial uses to respond to the projected demand for each type of industrial land. Given the need for employment lands to accommodate the planned amount of job growth and to provide land to accommodate the projected demand for industrial, office and R&D employment land uses, there is a strong need to maintain the job growth capacity that is currently planned in the Envision San Jose 2040 General Plan.

Of the 19 designated employment areas identified in the Envision 2040 General Plan Planned Growth Area Diagram, five of the areas overlap with SB 79 eligibility:

1. ***North San José*** – The area defined by the North San José Area boundary map, described as north and west of Interstate 880 and south of State Route 237, consistent with the adopted Area Development Policy and the General Plan land use designations.
2. ***Berryessa International Business Park/ Lundy/Milpitas BART*** – The area situated around the Berryessa/North San José BART station and bounded by the I-880 freeway to the west.
3. ***East Gish/ Mabury*** – The area part of north of downtown San Jose, near the Guadalupe River/Highway 87 and Highway 101 intersection, and area bounded by N. 1st St to the west, King Rd to the east, and I-880 to the north.
4. ***Monterey Business Corridor*** – The area bounded by Alma Avenue to the north, Blossom Hill Road to the south, State Route 87 to the west, and Senter Road to the east.
5. ***Old Edenvale/ Old Edenvale Transit Employment Center*** – The area bounded by Highway 85 to the south, Monterey Road to the north and east, and Charlotte Drive to the west, and area to the northeast of the Santa Teresa neighborhood and northwest of Coyote Valley.

According to Gov Code 65912.160 (e)(2) of SB 79 provisions, a local agency with over 15 Transit-Oriented Development stops may designate areas within one-half mile of a TOD stop as exempt from the provisions of SB 79 if the Industrial Employment Hub boundary is a contiguous area of at least 250 acres designated in the City's General Plan on or before January 1, 2025, as an employment lands area. The boundaries of these identified Industrial Employment Hubs consistent with the employment areas designated in the General Plan are shown on the "Envision San José 2040 General Plan Industrial Employment Hub Area Diagram Map" that is included as Exhibit B.

The General Plan supports significant intensification of employment activity within each of these employment districts. Within the North San José, Berryessa / International Business Park and Old Edenvale areas, a centralized sub-area with strong transit access has been designated as an Employment Center to support mid-rise or high-rise employment development. The Employment Center in the northeast corner of the Berryessa / International Business Park area is also classified as a BART station area due to its proximity to the planned Milpitas BART station and existing Capitol Avenue Light Rail stations.

The General Plan/Land Use and Transportation Diagram designations and total acreage within the five exempted Industrial Employment Hub boundaries are shown in Table 4 below. The Industrial Employment Hub boundaries primarily include HI Heavy Industrial, LI Light Industrial, IP Industrial Park, TEC Transit Employment Center, and CIC Combined Industrial/Commercial designations. Specific parcels located within these boundaries have other non-industrial designations or overlays that allow residential, mixed use, or commercial uses.

This ordinance would disallow SB 79 housing development on all parcels within the Industrial Employment Hub boundaries *except for* where the City’s General Plan already allows housing either through the underlying General Plan designation or through a housing overlay (e.g., Transit Employment Residential Overlay (TERO), Affordable Housing Overlay (AHO), Mixed-Income Housing Overlay (MIHO) and Housing Element Residential Overlay (HERO)).

**Table 4. Industrial Employment Hub Areas**

Identified Employment Area boundaries	Total Parcels	Total Acreage	*Industrial GP		**Other Designation (Acres)			% Industrial GP
			Parcels	Acreage	Residential GP	Residential Overlay	Non-Residential GP	
North San José	2,264	3,206	794	2,335	354	792	518	72.8%
Berryessa International Business Park, Lundy/Milpitas BART	311	632	298	596	0	-	36	94.2%
East Gish, Mabury	471	780	401	638	0.014	-	142	81.8%
Monterey Business Corridor	414	421	324	388	6.5	-	27	92%
Old Edenvale, Old Edenvale Transit Employment Center	678	537	234	491	36	-	11	91.3%
<i>Totals</i>	4,138	5,576	2,051	4,448	397	792	734	-

*\*Industrial Designations within identified Employment Area boundaries: LI Light Industrial, HI Heavy Industrial, CIC Combined Industrial/Commercial, TEC Transit Employment Center*

*\*\*Other Designations within identified Employment Area boundaries:*

*[Residential GP]: RN Residential Neighborhood, TR Transit Residential, UR Urban Residential, UV Urban Village, MUC Mixed Use Commercial, and MUN Mixed Use Neighborhood.*

*[Residential Overlay]: Transit Employment Residential Overlay (TERO), Affordable Housing Overlay (AHO), Mixed-Income Housing Overlay (MIHO) and Housing Element Residential Overlay (HERO).*

*[Non-residential GP]: NCC Neighborhood/Community Commercial, OSPH Open Space, Parklands and Habitat, MHP Mobilehome Park, and PQP Public/Quasi-Public.*

The identified Industrial Employment Hub boundaries comprise of approximately 5,576 acres, of which the industrially designated property comprise about 4,448 acres. Of the total 4,138 parcels situated within the Industrial Employment Hub boundaries, approximately 2,051 industrial parcels will be excluded from SB 79 applicability if this proposed Ordinance is approved.

As required by SB 79, staff will submit the approved Ordinance to Department of Housing and Community Development (HCD) for review immediately following the City Council's adoption in late March and in advance of the SB 79 effective date of July 1, 2026.

## **GENERAL PLAN CONFORMANCE**

The Envision San José 2040 General Plan encourages the periodic review of the Zoning Ordinance and other supporting Ordinances in the Municipal Code to ensure that the document conforms to State mandates and requirements, and reflects the goals, policies, and implementation of the General Plan.

### **General Plan Goals and Policies: Title 20 - Zoning Ordinance**

The proposed amendments to Title 20 would update and clarify certain sections of the Zoning Code to allow for conformance with changes to the General Plan. The proposed amendments to Title 20 are consistent with the following General Plan goals and policies:

**Goal LU-1 – General Land Use** Establish a land use pattern that fosters a more fiscally and environmentally sustainable, safe, and livable city.

**Policy LU-1.10:** Review criteria in the Zoning Ordinance and update it as appropriate to reflect Land Use goals, policies, and implementation actions in this Plan.

*Analysis: The amendments are either for conformance with state law, City Council directed, and City-initiated changes proposed to further the City's housing goals, process improvements, clarity and consistency. Policy LU-1.10 provides direction to update the Zoning Ordinance to ensure consistency with state housing law, including SB 79.*

**Goal LU-6 – Industrial Preservation** Preserve and protect industrial uses to sustain and develop the city's economy and fiscal sustainability.

**Policy LU-6.1** Prohibit conversion of lands designated for light and heavy industrial uses to non-industrial uses. Prohibit lands designated for industrial uses and mixed industrial-commercial uses to be converted to non-employment uses. Lands located within the Diridon Station Area Plan may be re-designated from mixed industrial-commercial to mixed residential-commercial or non-employment uses. Other policies associated with Goal LU-6 shall not apply to mixed industrial-commercial designated lands located within the Diridon Station Area Plan. Lands that have been acquired by the City for public parks, public trails, or public open space may be re-designated from industrial or mixed-industrial lands to non-employment uses. Within the Five Wounds BART Station and 24th Street Neighborhood Urban Village areas, phased land use changes, tied to the completion of the planned BART station, may include the conversion of lands designated for Light Industrial, Heavy Industrial or other employment uses to non-employment use provided that the Urban Village areas maintain capacity for the overall total number of existing and planned jobs.

*Analysis: The proposed exemptions prohibit the conversion of lands designated for employment uses in key employment areas. SB 79 is intended to expand housing opportunities near transit access that reduces housing and transportation costs, and promotes environmental sustainability, economic growth, and reduced traffic congestion. This ordinance would preserve the ability to develop housing under SB 79 within the Industrial Employment Hub areas on sites*

*where the general plan and zoning of a site currently allow housing, such as the Transit Employment Residential Overlay areas within North San Jose.*

**Goal IE-1 – Land Use and Employment** Proactively manage land uses to provide and enhance economic development and job growth in San José.

**Policy IE-1.1** To retain land capacity for employment uses in San José, protect and improve the quantity and quality of all lands designated exclusively for industrial uses, especially those that are vulnerable to conversion of non-employment uses.

*Analysis: The proposed exemption of Industrial Employment Hubs will support the City's goals of retaining industrial uses and potential job growth for future industries.*

**Policy IE-1.4** Manage land uses to enhance employment lands to improve the balance between jobs and workers residing in San José. To attain fiscal sustainability for the City, strive to achieve a minimum ratio of 1.1 jobs/employed resident by 2040. In the near term, strive to achieve a minimum ratio of 1 job per employed resident by 2025.

*Analysis: Exempting certain employment lands from SB 79 is consistent with the goal to achieve a job to employment ratio that will improve economic development and job growth citywide.*

**Goal FS-3 – Fiscally Sustainable Land Use Framework** Make land use decisions that improve the City's fiscal condition. Manage San José's future growth in an orderly, planned manner that is consistent with our ability to provide efficient and economical public services, to maximize the use of existing and proposed public facilities, and to achieve equitable sharing of the cost of such services and facilities.

**Policy FS-3.3** Promote land use policy and implementation actions that increase the ratio of Jobs to Employed Residents to improve our City's fiscal condition, consistent with economic development and land use goals and policies. Maintain or enhance the City's net total employment capacity collectively through amendments made to this General Plan in each Annual Review process.

*Analysis: The City recognizes the intent of SB 79 to increase housing near transit and also identifies the goal of the Envision 2040 General Plan to retain fiscally sustainable employment opportunities in areas that were previously identified through the creation of the current General Plan. This proposed ordinance update will ensure a balance of economic growth and land use goals and policies.*

**Goal FS-4 – Promote Fiscally Beneficial Land Use** Maintain, enhance, and develop our City's employment lands as part of our strategy for Fiscal Sustainability

**Policy FS-4.2** Maintain, enhance, and develop the employment lands within identified key employment areas (the Berryessa International Business Park, the East Gish and Mabury industrial areas, the Evergreen industrial area, the Edenvale Redevelopment Project Area, and the Monterey Corridor Redevelopment Project Area). Protect existing employment uses within these areas from potentially incompatible non-employment uses.

**Policy FS-4.3** Maintain employment lands within the North San José industrial area and protect existing employment uses from potentially incompatible non-employment uses Allow conversion of employment lands to non-employment and residential use in areas designated Transit Employment Residential Overlay.

*Analysis: Planning Staff have identified the key employment areas listed in this policy as eligible for the exemption from SB 79.*

**CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)**

The proposed action is not a project under CEQA pursuant to Public Resources Code Section 21080(b)(1), CEQA Guidelines Section 15378(b)(5), and Government Code Section 65912.160(c)(2). Adoption of the ordinance is a statutory implementation action.

**PUBLIC OUTREACH**

Staff also created an informational webpage on the proposal which was posted to the City’s website on February 25, 2026. This report and attachments were posted on the City’s website. Staff has been available to respond to questions from the public. Staff followed Council Policy 6-30: Public Outreach Policy, in that the notices for the public hearing were posted on the City’s website and published in the San José Post-Record.

Project Manager: Rina Horie

Approved by: /s/ Martina Davis, Division Manager, for Christopher Burton, Director of Planning, Building and Code enforcement.

ATTACHMENTS	
<u>Exhibit A:</u>	<a href="#">Draft Ordinance</a>
<u>Exhibit B:</u>	<a href="#">Industrial Employment Hub Area Diagram</a>
<u>Exhibit C:</u>	<a href="#">Area Maps</a> <ol style="list-style-type: none"><li><a href="#">Industrial Employment Hub 1 through 3: North San José, Berryessa/International Business Park, Lundy/Milpitas BART, and East Gish/Mabury</a></li><li><a href="#">Industrial Employment Hub 4: Monterey Business Corridor</a></li><li><a href="#">Industrial Employment Hub 5: Old Edenvale Area/ Old Edenvale Transit Employment Center</a></li></ol> <a href="#">Public Comment Received After 3-4-26</a>